

Editorial advice and careful revision commonly remedy these conditions before the dissertation becomes a book. Sadly readers and editors for Amsterdam University Press brought about no detectable improvement. Even in simple mechanical matters the book contains numerous typographic and other errors (e.g. pp. 107, 117, 121, 128-129, 221 note 4) and even repetitions or duplications of entire passages (e.g. pp. 143-144).

A good editor and attentive author could have transformed a clumsy manuscript into a solid tale synthesizing a genuine problem of environmental economic history (the role of Icelandic fisheries *before* ca.1300), an intriguing array of interdisciplinary evidence (soils, settlement structures, fish remains, sagas, teasing scraps of administrative and narrative sources) to be handled with critical care, and then a well-grounded set of legitimate interpretations. It might have been a springboard for more and well-targeted archaeological and comparative analysis. But rather than interrogating the data and acknowledging ambiguity and silences, the author builds structures of might have beens.

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Peer Vries, *Averting a Great Divergence. State and Economy in Japan, 1868-1937* (London/New York: Bloomsbury, 2019). 320 p. ISBN 9781350121676.

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In his previous books, Peer Vries wrote extensively about the Great Divergence and the insights that we can get from the Great Divergence-debate about the origins of modern economic growth (*Escaping Poverty* was published in 2013 and reviewed in this journal in 2015 by Jan de Vries,² *State, Economy and the Great Divergence Great Britain and China, 1680s-1850s* was published in 2015. Since then, Peer Vries has shifted his attention to Japan, which, as a sovereign state, was much more comparable to the European states than China.

Averting the Great Divergence is not so much about the Great Divergence, but rather about the laying of economic and institutional foundations for post-World War II catch-up growth, which ultimately prevented further divergence. Japan is an interesting case, argues Vries, because Japan was the only non-western country that managed, at least partially, to modernize its economy and start to industrialize in the nineteenth century.

2 J. De Vries, 'Escaping the Great Divergence'. *TSEG/Low Countries Journal of Social and Economic History*, 12:2 (2015) 39-50. DOI: <http://doi.org/10.18352/tseg.55>.

There are two ways to look at the Great Divergence. First it can be viewed as the point of time when England and then Europe, started to diverge from the rest of the world and notably from China, which, while much bigger than any European state, had similar preconditions but did not industrialize (yet). This allows us to develop a theory on the rise of the West and point at the ultimate causes of the 'European miracle'. Second, technically speaking, the Great Divergence refers to a period of about 200 years during which the gap widened. From about 1800, the western economies caught up with England and kept expanding, while economies elsewhere did not, or to a much lesser degree, or were forced into the role of raw material suppliers. This book is about the Great Divergence in the latter sense. Vries explains this in note 3: 'What in my view needs to be explained is how Japan could catch up, not why it wasn't the first country to leap forward. I rate the chance that that would have occurred zero.'

Catch-up growth was a buzz-word in another era, made famous by Gerschenkron and Abramovitz. Japan was a country far away from 'good old Europe' that saw the gap widening and then managed to close it to a good extent. As we know from Gerschenkron, catching up is a challenge for state policy. Japan successfully managed to do what Germany and Russia did as well, but what China at the time did not. This book very systematically evaluates state policy in areas such as infrastructure, education, building, improving an institutional framework, and in stimulating SME (however profitable) to be replaced by larger-sized firms.

The Japanese state did this with a vengeance. As Vries writes: 'The state in Japan was not only sovereign, modern, centralized and integrated, strong and resourceful when it comes to its political, ideological, economic and military power and in principle in favour of capitalism; it also, as has already transpired, wanted to develop Japan. Japan's state in the period discussed undoubtedly was a developmental state in the sense that its rulers shared the goal of making the country rich, and its army strong' (p. 163). Chalmers Johnson has already shown that Japanese economic policy was a strong determinant in the period after 1945. He defines a 'developmental state' as a state where the government takes the responsibility to develop the national economy. Vries now shows that this was also the case in the period between 1868 and 1945. He gives a thorough account of what the state did and why it worked.

Did Japan catch up before World War II? In fact, it did not. But at least, the gap did not widen too much and the fundamentals were laid for post-war catch-up: 'When we look at the kinds and amounts of products that were produced in Japan, it, all fast growth notwithstanding, still was something of an industrial 'dwarf' at the end of the 1930s. [...] Even in 1937, after many decades of undoubtedly impressive growth and industrialization, Japan still was relatively poor, and in many respects only semi-developed' (p. 36).

The book claims it analyses the period 1886-1937, starting with the Meiji Revolution, but one could also say that the book covers the period from 1800 to 1937. Ample attention is paid to refuting the idea (widely existent in the literature) that the preceding Tokugawa period 1603-1868 under the Shoguns already established certain preconditions. That is 'too rosy a view', according to Vries. The book systematically checks each indicator (such as taxation, government expenditure, agricultural development, infrastructure) for the post-Meiji-period against the earlier Tokugawa period. 'I have therefore decided to systematically extend my analysis backward', Vries states on page 2. The Tokugawa period receives nuanced treatment: it was 'more dynamic and more developed than has long been assumed' (p. 221) but on the other hand Japan 'still was rather poor as compared to the wealthiest parts of Northwestern Europe.' After 1886, however, successful state policies managed to propel Japan forward, and a strong argument can be made about the role of the state fostering economic growth.

Compared with European industrializers, Japan remained a small economy in the pre-war period. If the average rate of growth of real per capita income for the period 1870-1940 had continued after World War II, it would have taken Japan 327 years to catch up with the USA (p. 78). But a careful evaluation of the role of the state is important because the present emphasis on free markets in the debate often tends to overlook or play down state policy. There was a sovereign and modern state, a powerful state, a capitalist state, a developmental state, a state promoting knowledge, an open and protective state, and a state strongly promoting bigger companies. This is not merely rhetoric. The analysis is amply supported by quantitative data (there are no less than 103 tables in this book). A systematic comparison is made with the UK, France and Germany, sometimes diachronically, sometimes in historical time (i.e. comparing with what happened in these countries at a similar stage of their development).

Not all of this is new, but it is systematically and convincingly done. What I missed was the Japanese people. There is much information in the book on firms and entrepreneurs, but there is little on the Japanese themselves. Did they, for example, write about state policy measures in newspapers? At some point a historian might raise the question whether 'culture' is involved in the success of the Japanese state. Empirical analysis of culture is difficult, but we could ask ourselves the simple question: is the success of such a *dirigiste* policy related to certain characteristics of the Japanese culture (maybe power distance, a collective agenda, a certain mentality)? The word *culture* is mentioned twice in the book, *mentality* is also mentioned twice (but *agriculture* about 150 times).

There is a provocative analysis of 'inclusive institutions' that, according to Vries, only have a chance of emerging after a certain level of wealth has been

reached and therefore do not *explain* that wealth. The view is pro-openness and pro-market and also very much pro-state.

In short, this book is 'vintage Peer Vries': it is well written, has very many footnotes, and is based on extensive scholarly study. And unlike many other books you may read, the author is present on every page, giving opinions, making assessments on the value of certain observations, or drawing explicit conclusions: as a narrator he is omnipresent. With Vries, the narrative is more analytical than most narratives. There are few facts that speak for themselves: the author speaks to us all the time. And allows you to learn a lot from him.

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